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RON CURRY Secretary

CINDY PADILLA Deputy Secretary

December 18, 2007

Mr. Carl Edlund (6PD)
Multimedia Planning and Permitting Director
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Dear Mr. Edlund,

On behalf of the New Mexico Environment Department, I am pleased to submit this letter and the enclosed materials in support of the San Juan County, New Mexico Early Action Compact (EAC) and the EAC area's attainment of the National Ambient Air Quality Standards (NAAQS) for ozone. This letter serves as a statement that the San Juan County EAC area is in attainment of the ozone NAAQS and demonstrates achievement of the following two milestones:

Milestone 1: 2007 Data Certification

The New Mexico Environment Department certifies that ozone ambient air monitoring data collected through October 31, 2007 for the San Juan County EAC area was quality assured and entered into the Air Quality System by December 31, 2007.

Milestone 2: EAC Report and Attainment

Enclosed is the December 2007 Progress Report for the San Juan County EAC. This is the final progress report for the EAC. The New Mexico Environment Department certifies that 2005 through 2007 ozone monitoring data for the San Juan County EAC area was quality assured and shows attainment with the ozone NAAQS.

The New Mexico Environment Department looks forward to our continued work to protect air quality in San Juan County. If you have questions about the enclosed report, please contact Andy Berger of my staff at (505) 476-4317.

Mr. Carl Edlund December 18, 2007 Page 2

Sincerely,

M.a. unl

Mary Uhl Air Quality Bureau Chief

Enclosure

cc:

Tom Diggs, EPA, Region 6

Carrie Paige, EPA, Region 6 (6PD-L)

San Juan County, New Mexico Early Action Compact for Ozone December 2007 Progress Report

Overview

This document reports on the progress made between June 2007 and December 2007 on the implementation of the San Juan County Clean Air Action Plan (CAAP) and related projects. The CAAP is the main deliverable from the Early Action Compact (EAC) for ozone. The signatories to the EAC, including the New Mexico Environment Department (NMED), are committed to ensuring that northwestern New Mexico remains in attainment of the 8-hour ozone National Ambient Air Quality Standard (NAAQS). The CAAP includes a public outreach campaign and a voluntary program for emissions controls, both of which are described below.

State Implementation Plan

NMED submitted to the Environmental Protection Agency (EPA) a State Implementation Plan (SIP) revision for the Early Action Compact for San Juan County. EPA approved the SIP revision on August 17, 2005 (70 FR 48285). The revisions approved by EPA incorporated the CAAP and the photochemical modeling conducted in support of the attainment demonstration for the 8-hour ozone standard within the San Juan County EAC area. These actions will strengthen the SIP in accordance with the requirements of sections 110 and 116 of the Federal Clean Air Act and will result in emission reductions needed to help ensure continued attainment of the 8-hour NAAQS for ozone.

Public Outreach Since June 2007

Staff worked to create an information booklet, brochure, three advertisements, and a poster about VISTAS - Voluntary Innovative Strategies for Today's Air Standards. Approximately 20 booklets were distributed at various public outreach events such as the Four Corners Air Quality Task Force meetings. The booklet was used to discuss the program with potential participants in the program such as San Juan College, BP America, and City of Farmington. A San Juan VISTAS poster has also been used at all NMED Air Quality Bureau outreach events in San Juan County.

A new 2007 business member is beginning to implement a voluntary emissions reduction plan by working with companies in the San Juan County oil and gas field to install small horsepower (less than 300) lean-burn compressor engines. The lean burn technology has demonstrated nitrogen oxides emissions less than 2 g/hphr and other benefits for carbon monoxide and carbon dioxide.

The Four Corners Air Quality Task Force held two public meetings in the most recent six months, on August 8, 2007 and November 7, 2007. Both meetings were held in Durango, Colorado and had approximately 75 participants.

The Four Corners Air Quality Task Force coordinated a field trip on August 9, 2007 to the US Forest Service and Bureau of Land Management (BLM) Shamrock monitoring station. The Shamrock station includes an IMPROVE aerosol sampler, a visibility camera, met station, as well as nitrogen oxides and ozone monitors. The field trip included a discussion by BLM on the area's geology and a good view of the San Juan Basin.

The Four Corners Air Quality Task Force also coordinated a field trip on September 24, 2007 to Snowdon Lake near Silverton, Colorado to observe and participate in high mountain lake sampling. Snowdon Lake is a pristine lake. The Forest Service samples for changes in ions and cations at Snowdon Lake to track effects atmospheric deposition changes may have on water quality.

Two NMED Air Quality Bureau staff members attended the 2007 Western States Air Resource Council (WESTAR) Technical Conference on Oil and Gas Development, held September 11 through 13, 2007 in Pinedale, Wyoming, to discuss with emissions analysts the impacts and mitigation associated with oil and gas development in WESTAR states. Staff members also learned and shared analytical approaches and oil and gas source control options available to state air quality agencies. At the conference, NMED Air Quality Bureau staff participated in a state-by-state panel discussion of current activities, presented a summary of the Four Corners Air Quality Task Force work, and presented ammonia monitoring data. The conference provided a good networking opportunity to meet and exchange ideas with regional analysts from WESTAR states and to discuss possible collaboration on multi-state issues.

NMED Air Quality Bureau staff met with the City of Farmington Metropolitan Planning Organization (MPO) on October 1, 2007 to discuss ozone issues in the Four Corners area. Four Corners Air Quality Task Force fact sheets and a San Juan VISTAS booklet were given to the Farmington MPO staff. Farmington MPO staff subsequently attended the November 7 Four Corners Air Quality Task Force Meeting.

The New Mexico Environment Department hosted a community meeting on October 10, 2007 at the Farmington Civic Center in Farmington to listen to residents' needs and concerns regarding programs the department oversees. Topics of discussion include food sanitation, liquid waste disposal, solid waste disposal, petroleum storage tanks, radiation control, air quality, drinking water, ground water and surface water. A San Juan VISTAS poster display and outreach materials were available at the meeting.

NMED Air Quality Bureau staff attended the New Mexico Environmental Health Conference in Albuquerque on October 15, 2007. Information on the Four Corners Air Quality Task Force and San Juan VISTAS programs was presented to the conference as part of the educational session. San Juan VISTAS outreach materials were also distributed.

Public outreach in San Juan County is an ongoing process that includes the use of websites, public service announcements and educational outreach materials for children. Public outreach to date includes the distribution of *Tripper*, *Bear and the Air* ozone activity books to local schools, museums, and national parks in San Juan County and the vicinity. "Anyone can

fight against air pollution in San Juan County," posters were distributed at all Four Corners Air Quality Task Force meetings and at other public meetings and events in San Juan County. San Juan VISTAS fact sheets and agreement forms as well as fact sheets on the Four Corners Air Quality Task Force have been made available at all public meetings and outreach events.

In addition, the following NMED web sites contain outreach and educational materials, updated as they become available, related to the Clean Air Action Plan, the Four Corners Air Quality Task Force, VISTAS and the final approval of the SIP revision:

- http://www.nmenv.state.nm.us/aqb/4C/index.html,
- http://www.nmenv.state.nm.us/aqb/projects/Ozone.html,
- http://www.nmenv.state.nm.us/aqb/ozonetf/index.html,
- http://www.nmenv.state.nm.us/aqb/kids/index.html, and
- http://www.nmenv.state.nm.us/aqb/projects/SJV/index.html

Outreach materials are also available at the New Mexico Environment Department's Farmington Field Office in San Juan County, located at 724 West Animas Street, Farmington, NM 87401.

Voluntary Program

The voluntary program for emissions controls, Voluntary Innovative Strategies for Today's Air Standards (VISTAS), recognizes companies and organizations for voluntarily reducing emissions of ozone precursors and greenhouse gases in northwestern New Mexico, including San Juan County. To participate, companies sign a voluntary agreement and then submit an implementation plan and annual reports to NMED. Participating companies are recognized for their reductions. Still in its initial stages, the program so far has two participating companies. The program website is available at: http://www.nmenv.state.nm.us/aqb/projects/SJV/index.html.

Funding for developing the VISTAS program has been acquired in the form of a grant. A strategic marketing campaign and plan was completed July 1, 2006. VISTAS grant funds have been used to develop VISTAS advertisements, a 28-page informational booklet, and a brochure. Further funding is pending and would be used to print booklets and brochures and run advertisements. Approximately 25 booklets have been printed and distributed along with many fact sheets. The materials will strengthen the VISTAS program to create a more well-known and quantifiable program.

The table below summarizes emission reductions accomplished by ConocoPhillips during the calendar year 2006.

2006 COP – San Juan Business Unit Emission Reductions	
NO_x	1,096.97 tons/year
CO	278.56 tons/year
VOC	308 tons/year
CO2	28,288 tons/year

Strategies implemented by ConocoPhillips during the 2006 year included: Compressor engine optimization; purchase and installation of screw compressors and new Cummins IC engines; insulation of separators and certain production tanks; plunger lift optimization; use of capstone turbines; and reduced trucking of produced fluids.

In 2008, Red River Compression Company will submit their first report, detailing their estimated emissions reductions for the 2007 calendar year.

Related Projects

The Four Corners Air Quality Task Force (4CAQTF) is a multi-entity effort analyzing air quality issues in the Four Corners region. Membership includes community members, interest groups, local governments, industry, tribes, and state and federal agencies. The Task Force has developed a broad list of options for improving air quality in the region. The Task Force's two-year process of developing a broad list of options for improving air quality in the region was recently completed in November 2007. The Task Force Report is the group's main product and is available for reference online at:

http://www.nmenv.state.nm.us/aqb/4C/DraftTaskForceReport.html. The Task Force Report is a compilation of mitigation option papers written by members of the Four Corners Air Quality Task Force. The options are now being considered for implementation - a process that was started at an interagency meeting held December 12 and 13, 2007 in Santa Fe, New Mexico.

The Task Force will reconvene August 6, 2008 in Farmington, NM to review an update of progress and steps forward.

The New Mexico Environment Department contracted ENVIRON to conduct an Ozone Precursor Emissions Inventory for San Juan and Rio Arriba Counties. The inventory was completed August 31, 2006 and is available online at http://www.nmenv.state.nm.us/aqb/projects/San_Juan_Ozone/NM_Area_Emissions_report.pdf.

A pilot passive ammonia monitoring project that was initiated in collaboration with EPA Region 6 in the summer of 2006 has continued and may be expanded. The passive monitors are located at 3 sites in San Juan County. Samples are being collected and analyzed. Preliminary results were presented by Mark Sather, EPA Region 6, at the Four Corners Air Quality Task Force meeting in May 2007. A presentation with the results is available online at http://www.nmenv.state.nm.us/aqb/4C/Documents/2007-05-09/nh3o3farmington.ppt

A Four Corners air quality modeling project was initiated. A CAMx model will predict criteria pollutant (ozone and particle concentrations), visibility and sulfur and nitrogen deposition. A 2005 and 2018 base case and five mitigation options will be modeled. The modeling project will be completed by summer 2008.

Next Steps

 Move forward using marketing plan and new outreach materials as a road map to increase participation in San Juan VISTAS.

- Publicize San Juan VISTAS work through local media outlets.
- Implement new incentive program for VISTAS participants.
- Continue monitoring and reporting on ambient ozone concentration data.
- Strive to maintain ambient ozone levels below applicable National Ambient Air Quality Standard.
- Complete Four Corners CAMx modeling work.

Assess Improvements in Air Quality

The 8-hour ozone design value in San Juan County was maintained below the National Ambient Air Quality Standard for ozone of 0.08 ppm.

The 8-hr ozone design value for San Juan County for the first three quarters of 2007 was 0.072 ppm. The 2007 8-hour ozone design value was 0.072 ppm at Substation and 0.069 ppm at Bloomfield.

The 8-hr ozone design value for San Juan County for 2006 was 0.070 ppm. The 2006 8-hour ozone design value was 0.070 ppm at Substation and 0.068 ppm at Bloomfield.

Navajo Lake, the third ozone monitoring station in San Juan County, does not yet have three years of monitoring data to calculate a design value. Monitoring started at Navajo Lake on March 23, 2006. At Navajo Lake in 2007, the first, second, third and fourth highest 8-hour ozone averages were 0.080, 0.080, 0.079, and 0.079 ppm, respectively. In 2006, those averages were 0.087, 0.080, 0.080, and 0.079 ppm, respectively.

San Juan VISTAS implemented technology has led to ozone precursor (CO, VOC and NO_x) emissions reductions. The most significant NOx emissions reductions (837.5 TPY) was achieved as a result of ConocoPhillips San Juan Business Unit purchasing and installing new screw compressors to replace existing reciprocating compressors; and voluntarily selecting new Cummins engines with significantly lower emissions factors of NOx than typical rich burn engines within the same horsepower range. This process also led to the largest CO emissions reduction (226.7 tons/yr).

The most significant VOC reductions (308 TPY) were obtained by VISTAS participants through improved plunger lift optimization that resulted in reduced venting of natural gas. These reductions were observed for 2005 by Burlington Resources and 2006 by ConocoPhillips San Juan Business Unit.

See a table of total emissions reductions by VISTAS partners in **Voluntary Program** section of the report.